

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
PULASKI COUNTY WATER DISTRICT)	CASE NO. 92-403
NO. 2)	

O R D E R

On September 18, 1992, Pulaski County Water District No. 2 ("Pulaski County") filed its revised tariff sheets with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:058.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Pulaski County purchases its water from Somerset Water Service ("Somerset").

2. Somerset increased its rate for water sold to Pulaski County from \$1.55 to \$2.00 per 1,000 gallons effective October 1, 1992.

3. Pulaski County will increase the rates to its customers effective October 1, 1992. Based on an average monthly usage of 5,000 gallons, the average bill of Pulaski County's customers would increase \$2.45 from \$18.25 to \$20.70, or 13.43 percent.

4. During the 12 months ending June 30, 1992, Pulaski County purchased 117,603,200 gallons of water and sold 107,139,780 gallons of water during the same 12-month period.

5. The purchased water adjustment and rates proposed by Pulaski County are incorrect in that it did not use the correct rounding method in calculating the increase in the cost of water purchased from Somerset.

6. The correct increase in the cost of purchased water is \$52,921, resulting in a purchased water adjustment of 49 cents per 1,000 gallons as shown in Appendix B.

7. The purchased water adjustment of 49 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable, and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Pulaski County are denied.

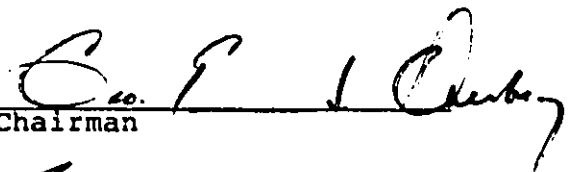
2. The purchased water adjustment of 49 cents per 1,000 gallons of water in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after October 1, 1992.

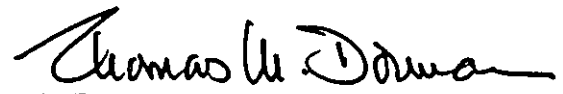
3. Within 30 days of the date of this Order, Pulaski County shall file revised tariff sheets setting out the rates approved herein.

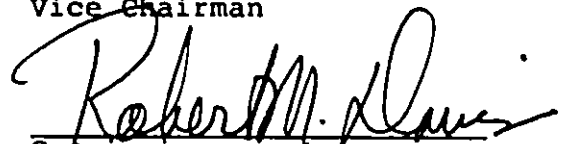
4. Within 30 days of the date of this Order, Pulaski County shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 1st day of October, 1992.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-403 DATED October 1, 1992.

The following rates and charges are prescribed for the customers in the area served by Pulaski County Water District No. 2. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Residential 5/8" x 3/4" Water Meters

First 1,000 gallons	\$7.42 Minimum Bill
Next 9,000 gallons	3.32 per 1,000 gallons
All over 10,000 gallons	2.92 per 1,000 gallons

Large Business Establishments 1" Water Meters

First 5,000 gallons	\$20.70 Minimum Bill
Next 5,000 gallons	3.32 per 1,000 gallons
Over 10,000 gallons	2.92 per 1,000 gallons

School and Factory 2" Water Meter

First 20,000 gallons	\$66.50 Minimum Bill
Over 20,000 gallons	2.92 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-403 DATED October 1, 1992.

CALCULATION OF PURCHASED WATER ADJUSTMENT

Gallons Purchased: 117,603,200

Gallons Sold: 107,139,780

Cost at New Rates: $117,603.200 \text{ m. gals.} \times 2.00 = 235,206.40$

Less

Cost at Base Rates: $117,603.200 \text{ m. gals.} \times 1.55 = 182,284.96$

Increase 52,921.44

$52,921.44 \div 107,139.780 \text{ m. gals. sold} = \0.4939 or 49 cents per
1,000 gallons